HEMP FARMER PERMIT APPLICATION INSTRUCTIONS

- The South Carolina Department of Agriculture (SCDA) is administering the South Carolina Hemp Farming Program as authorized by SC Code Ann. § 46-55-10 et seq.
- Anyone growing hemp in the State of South Carolina must successfully complete the full application process with SCDA and be issued a Hemp Farming Permit prior to taking possession of any viable hemp seeds, propagules, in-program harvested hemp materials (biomass) or any other sort of hemp plant material regardless of whether it is living (rooted) or cut. Farmers must submit this Hemp Farming Permit application; processors, handlers, or service providers (storage facilities, couriers, etc.) must complete the Hemp Processor Permit Application or the Hemp Handler Permit Application.
- Please note that only South Carolina Residents are currently eligible to receive a Hemp Farming Permit.
 Proof of residency may be required.
- New Changes for Growing Season 2020:
 - » Online applications, mapping, payments, requests, and reports.
 - » SCDA will no longer allow permitted farmers to let responsible parties grow hemp under their permit: anyone who seeks to grow hemp in South Carolina will have to be a permitted hemp farmer. Current responsible parties who intend to grow hemp in 2020 should make plans to apply for their own permit, or to destroy any hemp in their possession in accordance with state law when the permit under which they are permitted expires.
 - » SCDA is no longer able to offer free Acreage Amendment Site Modifications (locations must be finalized and submitted with this application, afterwards the Site Modification Request and surcharge will apply).
 - » Application evaluation criteria no longer requires: research plans, partnership with a research institution,

- marketing plan, or letter or intent with a processor.
- » Several changes to the sampling and testing protocol, required by the USDA that will make compliance more difficult, so genetic selection is very important.
- Federal law now requires that all states have a testing protocol to measure delta-9 THC post-decarboxylation

 this means total THC must be not more than 0.3
 percent. Plants with total THC above 0.3 percent must be destroyed.
- » Federal law will no longer allow SC to have a remediation safeguard. Now hemp total THC must test at or below 0.3 percent (after accounting for the measurement of uncertainty, which is likely less than a 0.099% variance) or be subject to destruction.
- » In accordance with federal law, cultivating hemp with a total THC level greater than 0.5% will constitute a "negligent violation" of the Hemp Farming Program. If a Permitted Farmer has three negligent violations in 5 years, he or she will face permit suspension for five years.

· Key Information:

- » Background checks are required for all applicants.
- » Applicant must be an individual. SCDA does not currently offer farming permits to business entities.
- » Growing Site modifications will require a fee after the application has been finalized. SCDA encourages farmers and processors/handlers to make sure they have their final plans in place before submitting an application to avoid site modification fees.
- » SCDA is currently conducting a regulatory review of its entire hemp farming program and comparing it to the minimum requirements issued by the U.S. Department of Agriculture's interim final rule for hemp production. This review includes every facet of the

- program, from data collection to sampling and testing protocol. Because of this, there will be more stringent requirements and vast differences between the hemp farming program in 2019 and 2020.
- » Participation in this program for 2020 is not guaranteed and is dependent upon USDA successfully approving the State Plan upon which this application is based.
- » This Hemp Farmer Permit Application Packet is designed to provide sufficient instructions for completion by any individual who would be prepared to participate in the Hemp Farming Program. The application packets include a broad understanding of the program, but applicants should read the South Carolina Hemp Farming Act S.C. Code Ann. § 46-55-10 et seq. (which may be accessed here: scstatehouse.gov/code/t46c055.php), the USDA Interim Final Rule (which sets forth the national hemp regulatory scheme, and which may be accessed here: ams.usda.gov/sites/default/files/media/AMS_SC_19_0042_IR.pdf), and once it is approved by USDA, the South Carolina State Plan.
- » Once the South Carolina State Plan is approved, if you are not comfortable with the Hemp Farming Program requirements that it sets forth, you may elect to not participate in the 2020 growing season and you may pull your application without penalty. The decision to pull your 2020 application will not in any way affect your ability to participate in the program in future years.
- » Please make sure to fully review all application materials and regulations prior to contacting hemp staff with

- questions. SCDA is not in a position to offer direct consultation on completing a permit application or to educate individuals about the production of hemp.
- » All costs associated with the production of hemp are the responsibility of the permit holder, including both profits and loss. There are no sources of funding from SCDA to cover any aspect of hemp production. Potential applicants should understand that at the present time it is possible that they may suffer a loss on their hemp crop. Limited production knowledge combined with an uncertain federal regulatory environment, recent changes to the sampling and testing protocol as required by the USDA that will make compliance more difficult and unstable pricing creates significant risk for the participant. The focus of this program is the collection of research data and learning through experience.
- » You do not have to plant every acre you have been approved to plant.
- » You do not have to complete this application. Not applying this year does not affect future applications.

· Application Deadline:

» March 31, 2020, 4:30 PM Eastern Time (ET) is the application deadline to apply for a 2020 Hemp Farming Permit. All 2019 Permitted Farmers must apply prior to the above deadline to prevent a lapse in permitting. SCDA shall deny any Hemp Farmer Permit Application that fails to meet the deadline established on this application. No exceptions.

2020 HEMP FARMER PERMIT APPLICATION

Applications not completed and submitted through our online KRS system, mailed, or hand-delivered by March 31, 2020 at 4:30 pm Eastern Time (ET) will be denied and Applicant will not be permitted to participate in the 2020 growing year.

Be sure to keep a copy of the full Application for your records. SCDA is not responsible for missing information due to Applicant's formatting or printing errors. All information must be accurate, legible, and complete.

If any information herein is later determined to by SCDA to be inaccurate or false the permit may be withheld or terminated.

<u>Application Fee:</u> Non-refundable \$100.00 payable via check made out to SCDA if applying with a paper application or payable through the KRS portal if applying online.

Hemp Farmer Permit Fee: \$1,000. You do not pay this now. The Permit Fee is due after approval of your application and background check and is payable via check made out to SCDA or through the KRS portal.

□ Completed Application □ Application Fee □ Background Check completed prior to submission of this Application. Please see language from the Background Check Instruction Guide on page 9. □ Signed Page Acknowledgment APPLICANT INFORMATION Applicant must be an individual. SCDA does not issue farming permits to business entities. Applicant Name (First, Middle, Last) Primary Residential Address City State ZIP Primary Mailing Address City State ZIP Drivers License Number and State Drivers License Number and State

CHECKLIST

Attach or upload a copy of drivers license

Business Name		
Business Address		
City	State	ZIP
Business Phone	Cell Phone	
Email		
FSA Farm #		

GROWING LOCATIONS

INSTRUCTIONS FOR CREATING MAPS AND OBTAINING GPS COORDINATES

The following instructions outline required site map contents and basic instructions for obtaining maps and the required global positioning coordinates for each growing location. If you need more information after reading these complete instructions, contact hempstaff@scda.sc.gov

The Department requires each prospective Hemp Farmer to provide the following information for each "growing location", as that term is defined below, upon application and annually: global positioning coordinates; physical address; maps for each field, greenhouse, building, or storage facility where hemp will be cultivated or stored; and number of outdoor acres, indoor square footage, and number of plants intended to be planted.

"Growing location" or "lot", as the terms may be used interchangeably, refers to a contiguous area in a field, greenhouse, or indoor growing structure containing the same variety or strain of cannabis throughout. In addition, "lot" is a common term in agriculture that refers to the batch or contiguous, homogeneous whole of a product being sold to a single buyer at a single time. Under the terms of this part, "lot" is to be defined by the Permitted Hemp Farmer in terms of farm location, field acreage, and variety (i.e., cultivar) and to be reported as such to the FSA.

The information required to be collected includes a legal description of the land and geospatial location, which the USDA Farm Service Agency (FSA) can help provide, for each field, greenhouse, or other site where hemp is produced. Geospatial location is required because many rural locations do not have specific addresses and these coordinates will assist with the proper identification of hemp production locations.

In addition to providing this information to the Department, Permitted Hemp Farmer shall report hemp crop acreage to the FSA (Farm Service Agency), and shall include with the report, at a minimum:

- Street address and, to the extent practicable, geospatial location for each lot or greenhouse where hemp will be produced. If an applicant operates in more than one location, that information shall be provided for all production sites.
- 2. Acreage dedicated to the production of hemp, or greenhouse or indoor square footage dedicated to the productions of hemp.
- 3. Permit number, once it is issued by the Department.

A link to FSA information on how to report hemp crop acreage to FSA is available at <u>fsa.usda.gov/Assets/USDA-FSA-Public/usdafiles/FactSheets/2019/crop-acreage-reporting-19.pdf</u>

Each map should contain the following:

- Contain only one growing location (see definition above) per map
- The applicant's full name printed on the page.
- The map location's street address, city, state and zip code printed on the page.
- Be zoomed out to show the growing location and a public road.
- Growing location. This includes the:
 - » Outline of each growing location to be used for contiguous planting (see next page for explanation of contiguous);

- » Location ID/name for each separate growing location
- » Indicate the acreage for that growing location intended for contiguous planting of the same variety.

NOTE: A single growing location will NOT have any breaks, fence lines, tree lines, or roads dividing the field. Any field division shall be seen as two or more separate fields. Each growing location will only have one variety.

- Greenhouses, indoor growing structures, storage buildings, or handling facilities and the location of each structure.
- GPS coordinates for each field or building. GPS coordinates should be provided in DEGREES, MINUTES, SECONDS (dd° mm' ss.sss"; example: lat: 38° 98'56.325"N, long: 84° 49' 89.246"W) with a pinpoint showing exactly where the GPS coordinate was taken. Google Earth gives specific instructions for obtaining the coordinates in the correct format.
 - » Use Google Earth or another web based mapping program, or obtain GPS coordinates off your smartphone. If you are unable to get the required coordinates in this way, please visit geoplaner.com.

SCDA requires maps created with the help of FSA.

WHAT IS A GROWING LOCATION?

Each growing location will NOT have any breaks, fence lines, tree lines, or roads dividing the field. Any field division shall be seen as two or more separate fields. Each growing location may only have one variety per growing location.

Planting more than one variety on a contiguous area will create more than one growing location.

Greenhouses and other indoor growing locations are treated as individual structures and need separate coordinates.

CONTIGUOUS LOCATIONS?	DIAGRAM V = variety of hemp		
YES, 1 GROWING LOCATION	V ₁		
NO, 3 GROWING LOCATIONS REASON: More than one variety	V ₁	V ₂	V ₃
NO, 2 GROWING LOCATIONS REASON: Field divided by trees or hedgerow	V ₁		V ₂
NO, 2 GROWING LOCATIONS REASON: Field divided by stream	V ₁	3	V ₂
NO, 2 GROWING LOCATIONS REASON: Field divided by fence	V ₁		V ₂
NO, 2 GROWING LOCATIONS REASON: Field divided by space of more than 20 feet	V ₁	More than 20 feet	V ₂
YES, 1 GROWING LOCATION		V_1	
NO, 2 GROWING LOCATIONS REASON: Two separate buildings		V_1	

Each location where hemp will be grown, stored, dried, or handled must be identified on this application.

Any growing locations (fields or greenhouse/indoor growing) added after the submission of this application will incur a \$50 Site Modification Surcharge per additional Growing Location.

Provide a list of all locations requested for licensing by completing the information.

GROWING LOCATION #1	GROWING LOCATION #2	
GPS Coordinates	GPS Coordinates	
Physical Address	Physical Address	
Number of Outdoor Acres	Number of Outdoor Acres	
Number of Indoor Square Footage	Number of Indoor Square Footage	
Number of Plants Intended to be Planted	Number of Plants Intended to be Planted	
Growing Location is:	Growing Location is:	
Attach maps for each field, greenhouse, and/or storage facility where hemp will be cultivated or stored.	Attach maps for each field, greenhouse, and/or storage facility where hemp will be cultivated or stored.	
GROWING LOCATION #3 GPS Coordinates	GROWING LOCATION #4 GPS Coordinates	
Physical Address	Physical Address	
Number of Outdoor Acres	Number of Outdoor Acres	
Number of Indoor Square Footage	Number of Indoor Square Footage	
Number of Plants Intended to be Planted	Number of Plants Intended to be Planted	
Growing Location is:	Growing Location is:	
Attach maps for each field, greenhouse, and/or storage facility where hemp will be cultivated or stored.	Attach maps for each field, greenhouse, and/or storage facility where hemp will be cultivated or stored.	

Attach additional pages of growing locations as needed

QUESTIONS

Have you been convicted of a felony relating to a controlled substance under state or federal law during in the last ten years from the date you sign this Application?
Please note, before you are granted a license, you must submit to a background check. At the appropriate time, an employee of
SCDA will contact you with details regarding how to schedule the background check. Yes No
Li fes Li No
Do you currently possess a Hemp Farming Permit?
☐ Yes ☐ No If yes, provide the permit number:
Are you a current SCDA employee or do you have any family working as a current SCDA employee? NOTE: A yes to this question, does not immediately disqualify an applicant. "Family" means spouse and children, as well as a person who is related to a public servant as any of the following, whether by blood or adoption: parent, brother, sister, grandparent, grandchild, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, half-sister. Yes No
Indicate the scope and focus of your 2020 hemp business operation (check all that apply). Grain
☐ Fiber
☐ Floral Material (CBD, other cannabinoids, terpenoids, or any other extracts)
☐ Replication of seeds
☐ Production of Transplants (seedlings or clones)
Other, please specify
Are you are a current South Carolina resident? Please note that only South Carolina residents are currently eligible to receive a Hemp Farming Permit. Proof of residency may be required. Yes No
Where do you plan to obtain your seeds, clones, and/or transplants? Please note, that SCDA requires all hemp seed sellers who sell to Hemp Farmers in our state to possess a Hemp Handler Permit and a SCDA issued Seed License.
Business Name
City State
License or Permit Number, if applicable

hemp is cultivated, processed, or stored for the purpose of conducting physical inspections, sampling, or otherwise ensuring compliance with the SCDA Hemp Farming Program. I hereby verify and affirm that all information contained in this application is true and accurate and agree to notify SCDA immediately if any information contained in this application changes or becomes inaccurate. SCDA retains the right to independently verify any information provided in this application. I understand that if SCDA later determines any of this information to be inaccurate, the application and permit may be withheld or terminated. Signature **Date Print Name** DEADLINE Complete all parts of the Application and submit this Application by mail or hand delivery to: South Carolina Department of Agriculture Hemp Program 123 Ballard Court West Columbia, SC 29172 Attention: Hemp Program Coordinator Applications not completed and submitted through our KRS system, mailed, or hand-delivered by March 31, 2020, 4:30 PM Eastern Time (ET) will be denied and Applicant will not be permitted to participate in the 2020 growing year. Be sure to keep a copy of the full Application for your records. SCDA is not responsible for missing information due to Applicant's formatting or printing errors. All information must be accurate, legible, and complete. Incomplete Applications will be automatically denied, and Applicant will have to reapply prior to the deadline. If any information herein is later determined to by SCDA to be inaccurate, the permit may be withheld or terminated. FOR SCDA INTERNAL USE ONLY Date Received . SCDA Staff Received By _

By signing below I consent to allow SLED and the Department of Agriculture to enter onto all premises where industrial

☐ Mail

Delivery Method

☐ Hand Delivery

BACKGROUND CHECK

As part of the application process per state law, you must complete a federal and state background check.

Please be advised that no person who has been convicted of a felony relating to a controlled substance under state or federal law during a ten-year period from the date of his conviction shall be eligible to obtain a license to cultivate, handle, or process hemp.

All appointments must be made online.

To conduct your federal and state background check, please follow the following steps to set up an appointment:

- Visit Identogo (the state's third-party background check vendor) ONLINE at <u>identogo.com/locations/south-carolina</u>
- 2. Scroll down and select "Digital Fingerprinting".
- 3. Under "For New Appointments" select "Schedule a New Appointment".

- 4. On the dropdown list, select "SC920126Z Dept. of Agriculture Industrial Hemp" then select "Go".
- 5. Enter your Zip Code or Choose the region you are in.
- 6. Selection the location and day. Please note we recommend selecting one of Identogo's major locations for your background check to speed up the process. Those locations are Columbia, Greenville, Charleston, Florence, Myrtle Beach, and Rock Hill. These locations are open Monday–Friday.
- 7. Select a time slot
- 8. Enter Applicant Information
- 9. Select Send Information

Once the background check is conducted, the results will electronically be sent to SCDA from the FBI and SLED, and we will review them. You do not need to submit the results to SCDA.

NONCRIMINAL JUSTICE APPLICANT'S PRIVACY RIGHTS

As an applicant who is the subject of a national fingerprintbased criminal history record check for a noncriminal justice purpose (such as an application for a job or license, an immigration or naturalization matter, security clearance, or adoption), you have certain rights which are discussed below.

- You must be provided written notification¹ that your fingerprints will be used to check the criminal history records of the FBI.
- If you have a criminal history record, the officials making a
 determination of your suitability for the job, license, or other
 benefit must provide you the opportunity to complete or
 challenge the accuracy of the information in the record.
- The officials must advise you that the procedures for obtaining a change, correction, or updating of your criminal history record are set forth at Title 28, Code of Federal Regulations (CFR), Section 16.34.
- If you have a criminal history record, you should be afforded a reasonable amount of time to correct or complete the record (or decline to do so) before the officials deny you the job, license, or other benefit based on information in the criminal history record.²

You have the right to expect that officials receiving the results of the criminal history record check will use it only for authorized purposes and will not retain or disseminate it in violation of federal statute, regulation or executive order, or rule, procedure or standard established by the National Crime Prevention and Privacy Compact Council.³

If agency policy permits, the officials may provide you with a copy of your FBI criminal history record for review and possible challenge. If agency policy does not permit it to provide you a copy of the record, you may obtain a copy of the record by submitting fingerprints and a fee to the FBI. Information regarding this process may be obtained at <code>fbi.gov/about-us/cjis/background-checks</code>.

If you decide to challenge the accuracy or completeness of your FBI criminal history record, you should send your challenge to the agency that contributed the questioned information to the FBI. Alternatively, you may send your challenge directly to the FBI. The FBI will then forward your challenge to the agency that contributed the questioned information and request the agency to verify or correct the challenged entry. Upon receipt of an official communication from that agency, the FBI will make any necessary changes/ corrections to your record in accordance with the information supplied by that agency. (See 28 CFR 16.30 through 16.34.)

¹Written notification includes electronic notification, but excludes oral notification.

² See 28 CFR 50.12(b).

³ See 5 U.S.C. 552a(b); 28 U.S.C. 534(b); 42 U.S.C. 14616, Article IV(c); 28 CFR 20.21(c), 20.33(d) and 906.2(d).